



DEFENSE THREAT REDUCTION AGENCY  
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MEMORANDUM FOR DISTRIBUTION B

SUBJECT: Managers' Internal Control (MIC) Program

- References: (a) DTRA Instruction 5010.1, "Defense Threat Reduction Agency (DTRA) Managers' Internal Control Program," January 2, 2008  
(b) DoD Instruction 5010.40, "Managers' Internal Control Program (MICEP) Procedures," July 29, 2010  
(c) OUSD(C) Briefing, "'Paradigm Shift': Department of Defense Managers' Internal Control Program," August 9, 2010

The Defense Threat Reduction Agency (DTRA) MIC Program, as described in Reference (a), was designed and implemented to ensure programs operate as intended, to provide timely and reliable information to assist in the decision-making process, and to achieve the Agency's overall mission and operational goals. Our MIC strategy supports and safeguards the integrity of the Agency's processes and provides reasonable assurance that we meet the requirements of the Federal Managers' Financial Integrity Act. Our systems of internal control are not limited to a financial management focus, but encompass all operations and programs that utilize government resources.

Per References (b) and (c), the Department of Defense (DoD) MIC Program is undergoing a "paradigm shift" in focus. This new direction takes a risk-based, results-oriented approach and requires that DoD Components ensure that all levels within their respective organizations are actively engaged in enhancing internal controls and in mitigating potential risks. Committed organizational support aligns with the Secretary of Defense's (SECDEF) efficiencies and streamlining initiatives that are being deployed across the DoD. This new and more robust approach took effect in fiscal year 2011 (FY11) and will be reflected in the FY11 Statement of Assurance guidance, with strong emphasis placed on continuous dedication to improving the effectiveness and efficiency of operational, administrative, and program processes. Another component to the change in focus includes encouraging self-identification of issues and self-reporting of deficiencies. Self-reporting and monitoring requires our leadership team to identify potential risks to our organization and to apply substantive corrective action plans to prevent a problem before it occurs and/or is identified by an auditor as a weakness. This approach promotes a proactive culture and better prepares us for future challenges.

The Associate Director, Business Enterprise serves as my Senior Responsible Official for our MIC Program; however, all DTRA personnel have a responsibility to contribute to the enhancement of our organizational internal controls. Therefore, MIC Program processes must be incorporated into the daily practices of managers and employees at all levels who are responsible for the management or administration of Agency resources, programs, and processes.

To ensure continued success in achieving our mission, and to align with SECDEF's efficiency initiatives, we will institute the following changes to our MIC Program:

- By December 31, 2010, the Enterprises and Staff Offices will identify a specific MIC Program analyst to help maintain focus and coordinate efforts on an ongoing basis. The name and contact information of the analyst shall be provided by email to: InternalControlProgramTeam@dtra.mil. Analysts will be trained by the MIC Program Coordinator and the training sessions will begin during the second quarter of FY11. Continuous training, communications, and information exchange will take place as needed.
- The Senior Assessment Team (SAT), which provides MIC Program assessment oversight, will be restructured to reflect all DTRA components by changing the membership to be comprised of the Enterprise Deputy Associate Directors and the DTRA Chief of Staff. This places MIC Program responsibility and accountability at the appropriate level and within the appropriate areas throughout the Agency to achieve our objectives. The SAT Charter will be revised and Reference (a) will be updated to reflect the changes.

Your combined efforts will help ensure that our MIC Program adds value to our operations and improves our efficiency and effectiveness. One of our first efforts in acknowledging the "paradigm shift" will be to conduct a review of all Economy Act orders issued by DTRA to other Federal Agencies and DoD Components. The Associate Director, Business Enterprise is currently leading the effort to develop the plan for the reviews, as well as any corrective actions that may be required.

Your continuous involvement and assistance in this matter are greatly appreciated. Not only do we have the inherent responsibility as an Agency to better improve our processes, but we must also demonstrate our commitment to excellence by being proper stewards of the valuable taxpayer resources that we have been entrusted with to execute our mission.



Kenneth A. Myers  
Director